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First Report on the RESTRUCTURING PLAN for THE COUNTY OF ORANGE

Prepared for:

Orange County Board of Supervisors
November 1996

Introduction

Last June, the Board of Supervisors approved the "Restructuring Plan for the County of Orange." The plan was born of the need for a blueprint for efficient and effective interrelationships among various agencies that provide services to our community. It was prompted by the Board's direction that County resources be managed in a fiscally responsible manner that allows us to meet our bankruptcy obligations. The plan was motivated by a need to eliminate duplication of effort, to encourage creativity and accountability, and to clarify and restore the community's belief in the County's commitment to service. Finally, the plan was built upon the fact that the County is a viable and essential member of this community, that the skills and enthusiasm of its employees are a great resource, and that with an organizational structure - and a culture - which promotes efficiency, accountability, and fiscal responsibility the County will successfully meet its financial and service commitments.

The Board of Supervisors approved the restructuring plan in June and, in doing so, took an unprecedented and decisive step. Unprecedented because large bureaucracies rarely recognize the need to evaluate and change their own organizations. Decisive because the Board did not waiver from the need to look quickly, objectively and thoroughly at the County's structure and, more importantly, because the Board committed to take the steps necessary, however difficult, to make the County an efficient, effective, and fiscally sound regional service provider and planning agency.

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The restructuring plan the Board approved in June was intended to be a starting point for a comprehensive and continuing process. At that time, I presented some of the basic organizational and functional questions the restructuring process would address. And while I promised that, if implemented, the restructuring process would bring cost savings and efficiencies, I stressed that such savings would not be achieved overnight. I also emphasized that the implementation and success of restructuring, both short and long term, were dependent upon the direction, guidance and commitment of the Board of Supervisors.

With these points in mind, I very much appreciate the Board's support for the restructuring plan and for the Board's confidence that the plan could and would be successful. The very positive results of our efforts to date will, I believe, justify that confidence and the decision to proceed with the important process the Board initiated in June.

This document is presented in four sections. General context for past actions and for this report is presented first. Next, the findings and anticipated results of the Phase One business plans are presented. The third section describes the status and schedule of the overall restructuring process while the fourth section presents recommended actions for the Board's consideration. Appendix 1 presents a brief discussion regarding the mission and structure of each of the Phase One departments. It is important to note that this report focuses solely on *internal* restructuring; external restructuring will be the subject of subsequent and separate reports.

While this document identifies significant annual cost reductions and efficiencies which are anticipated to be achieved through restructuring, I must stress that the process of streamlining, decentralizing, and improving the County organization is far from over. In fact, to be responsive to the needs of an ever-changing community, our restructuring efforts must never stop. I recently heard a saying that applies perfectly: "The road to success is always under construction." The process of providing efficient, effective, and quality services should be, and, to be successful, must be an evolutionary one.

The road to success is always under construction.

Now that the pressure to obtain approval of the County's bankruptcy plan of adjustment has eased, it would be easy to become complacent about the County and its operation. Complacency is a luxury we can ill afford. We must not let the energy and momentum with which we approached the bankruptcy diminish. We must apply both our enthusiasm and our ingenuity to rethinking our core businesses, to restructuring our organization, and to restoring the public's confidence in our service and our leadership. As management strategist and author Tom Peters advises in his book, *Thriving on Chaos*: "Excellent firms don't believe in excellence - only in constant improvement and constant change."

Phase One: Findings and Results

Background

Phase One of the restructuring plan was initially proposed to focus on three primary entities, specifically, the County Executive Office (CEO), the Environmental Management Agency (EMA) and the General Services Agency (GSA). These organizations have traditionally provided administrative and/or corporate services within the County.

The restructuring plan approved by the Board in June called for the elimination of GSA and the transfer of all GSA functions to other departments. It called for the elimination of EMA and the transfer of all EMA functions to other departments or to two new departments: Planning and Development Services and Public Works (now called Public Facilities and Resources). Finally, the plan outlined a new structure within the County Executive Office.

Each new department was directed to prepare a business plan which is essentially a contract between an agency/department head and the CEO and is designed to achieve four primary objectives. First, it defines the department's core functions and mission. Second, it identifies the department's service recipients and service environment. Third, the business plan presents a proposed organizational structure and operational budget which will allow the Board and the public to clearly identify the cost of service and the revenue source(s) which support that service. This is particularly important in light of the restructuring plan's emphasis on clear, simple accounting and its goal of focusing resources on services - not overhead. Lastly, the business plan identifies challenges and opportunities the department expects to face, and strategies for responding to them. The business plans were also to address opportunities for privatization and for potential technology-related improvements.

There is one particular staffing issue which is relevant to preparation and evaluation of the Phase One business plans which merits mention here. These assumptions were made based on the best information available from Phase One departments and on preliminary input from Phase Two departments, regarding the allocation of staffing from EMA,

GSA, and Human Resources to new and existing departments. These assumptions have allowed us to start the process of identifying the number of staff to be reassigned to a new or existing department. However, we will not know with certainty the final staffing implications of the dissolution of GSA and the reconfiguration of EMA and Human Resources until the Phase Two business plans are completed.

Business plans have been submitted for the following: County Executive Office (CEO), Orange County Public Library (OCPL), Planning and Development Services (P&DS), Public Facilities and Resources (PF&R), Registration and Elections (R&E), and the Integrated Waste Management Department (IWMD)[1]. In addition, while I am requesting the establishment of a new Housing and Community Development Department at this time, submittal of a business plan for this department is not being requested until January with the Phase Two departments. Appendix 1 to this report provides more detail on the development, review, and evaluation of these business plans.

A great deal of time, effort, and thought was committed to the preparation of the business plans. The development of business plans also stimulated thoughtful consideration of the County's mission and appropriate role in the community. This process will assist in the development of an overall County "Strategic Plan" and will serve as a critical component of our annual budget preparation and analysis.

Findings

In the course of preparing the first set of business plans, we have identified significant inefficiencies, both with respect to the organization of staffing resources and the expenditure of financial resources.

The most dramatic findings have been those related to the practice of one department charging another department for services - what we have known for years as the practice of "cost applying." Our current system of cost application has led to an inability to track the actual cost of

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1 IWMD had initiated a program to evaluate and reorganize the department in May 1996, prior to Board adoption of the restructuring plan in June 1996.

a service, duplication of effort ("inspectors inspecting the inspectors"), and a top-heavy organizational structure. The unfortunate and unacceptable result has been the dedication of scarce funding to *administrative* costs rather than to *program* costs.

The following two examples are presented to illustrate the waste and inefficiency we found and the service benefits and organizational improvements that restructuring will bring.

Orange County Public Library OCPL's primary source of funding is local property tax revenue. The property tax shift enacted by the state legislature in 1993 resulted in a 35% decrease in funding to OCPL. To accommodate this revenue loss, OCPL has begun moving toward a system in which funding for branch library operations will be allocated by a formula which recognizes the level of tax contributions to the Library Fund. A second and equally important component of OCPL's efforts is the County's restructuring plan which offers a timely and critical means by which to refocus scarce resources from administrative services and overhead to direct public services.

GSA (Architect/Engineering, Facilities Operations, Real Estate, Purchasing, and administrative support) and Human Resources currently provide services to OCPL. The FY 1996-97 OCPL budget included approximately $1.2 million for these and related services. By shifting responsibility and accountability for these basic services to OCPL, the OCPL business plan projects an annual cost reduction of approximately $454,000 from eliminating GSA overhead. It is important to note that these are net savings and include the costs associated with the addition of seven positions (5.75 FTE) that OCPL anticipates will be necessary to assume the functions previously provided by GSA and Human Resources. These are not "on paper" savings, but will result in actual funding for direct public services.

By shifting responsibility and accountability for these services to OCPL, the OCPL business plan projects an annual reduction of $454,000.

Integrated Waste Management Department The County of Orange has operated a regional solid waste landfill disposal system for 50 years. IWMD currently manages four active landfills and 21 closed disposal sites. In the last few years, three events occurred which significantly

impacted that system: (i) a proliferation of environmental regulations; (ii) the exportation of waste outside of Orange County; and (iii) the County of Orange bankruptcy. In an effort to meet the bond payment obligations associated with the County's plan of adjustment, IWMD has successfully initiated a trash importation program which, it is anticipated, will provide the County General Fund with $15 million per year for 20 years.

IWMD began its restructuring effort in May, 1996, one month prior to the Board's adoption of the restructuring plan. The cost reductions presented in IWMD's business plan and summarized here reflect organization changes resulting from a new focus on landfill operations as IWMD's core business and a reduction in overhead resulting from the decentralization of services.

The proposed organizational structure is anticipated to yield an annual cost reduction of approximately $2 million which is the net result of the reduction of 49.5 regular[2] and 31 extra help positions, the addition of three positions, and costs associated with reclassifying a number of other positions. In addition, IWMD is currently billed for staffing and overhead charges for various services from EMA (survey, environmental planning), GSA (real estate, equipment maintenance), County Counsel, and Human Resources. Decentralization of these services to IWMD is estimated to result in an annual reduction of almost $3.8 million. The savings anticipated from restructuring and decentralization, almost $6 million annually, will allow IWMD to pass along signficant benefits to its Orange County customers in the form of a reduced gate fee.

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In order to evaluate and quantify the anticipated results of the business plans, six baseline points have been established. These provide a context for our evaluation, ensure consistent clear reporting of information, and allow for an apples-to-apples comparison both within and across departments.

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2 21.5 of these positions were previously deleted in IWMD's temporary merger with EMA.

A review of the six business plans suggests that implementation of the restructuring initiatives proposed in those plans can result in the reduction of approximately 241 full-time positions. Seventy-three had already been reduced from the proposed to the final budget. These reductions from the business plans redirect approximately $11 million from current funding of positions to the reduction of indebtedness, enhancement of programming or reduction of direct costs to the public for service.

What is amazing about these projections is not only their size, but also that the expected cost reductions can be achieved without reducing or eliminating services to the public. In fact, in some cases we are improving current service levels. The savings are to be achieved by decentralizing certain functions and by giving department heads the authority they need to manage their departments in a manner which best responds to their clients' needs. The restructuring plan will make department heads more accountable for services by increasing their direct authority over certain functions, by flattening the organization, and by ensuring the dedication of resources to the service, not the service administrator.

It is important to recognize that the cost reductions projected in the six business plans will not all be achieved in the general fund. Many of the reductions are found in programs whose funds are restricted to certain purposes and which, by law, can be expended only for those purposes. The overall goal, however, of redirecting resources away from administrative and overhead costs and toward public services and programs remains - and can be achieved regardless of whether the cost reductions occur in general fund or special purpose fund accounts. The Board has directed, and this plan ensures, that we be diligent in managing <u>all</u> taxpayer resources, not only those applied to general fund purposes.

Employee Assistance Programs

While position-specific reductions and the time frame in which they will occur have not yet been determined, we do know that the overall County workforce will be smaller as a result of the restructuring actions presented in this report. In order to assist in the placement or retraining

of those employees whose jobs may be eliminated, I have directed the Assistant CEO, Office of Human Resources to identify existing and create new services to assist vulnerable employees. These services are presented below for the Board's information and consideration.

Internally, a "JOBS" telephone hotline and a "Job Opportunity" bulletin board on the County's E-mail system have been created. Both contain information about transfer, rotation and reassignment opportunities throughout the County. Agency and department heads have already begun working with their Human Resources representatives to anticipate vacancies that are critical to fill and are attempting, where appropriate, to fill them with vulnerable employees prior to seeking outside candidates.

Through the Special Programs Division of Community Services Agency (CSA) and funded through the Job Training Partnership Act (JTPA), a multitude of employment services are available to those who may lose their County jobs. These services include the use of a job center, employment counseling, job search seminars, skill assessment, retraining programs, job referrals, and on-the-job training. JTPA staff with expertise in employment services will tailor a program specific to the individual's needs.

CSA will also offer "Rapid Response" presentations to vulnerable employees prior to layoff. These presentations include an overview of services available through JTPA and involve staff from various support agencies including Employment Development Department, Employee Assistance Program and others with information regarding benefits, financial issues, and retirement options. Vulnerable employees may also attend employment workshops offered through JTPA on a variety of subjects such as resume writing, job interviewing techniques, networking, and stress reduction as a way to help them begin their job search before they receive notice of layoff. This process is now being provided to employees of the Integrated Waste Management Department who have been advised that they are vulnerable to layoff.
My office has also initiated a Request for Proposal process to contract with qualified firms to make presentations to employees in restructured agencies and departments aimed at helping employees adjust to changes in the work environment. The intent of this program is to help employees understand why organizations, including the County, must and do restructure. It will also help them make adjustments in their work

restructuring efforts. As a safeguard to ensure that layoff decisions are based on the business needs of the County and are consistent with the restructuring goals adopted by the Board in June, agency/department heads will be provided with guidelines for implementing management layoffs which will include the review and approval of all layoff plans by the Chief Executive Officer. To remain in compliance with State Merit System requirements, a supplemental layoff procedure must be adopted to provide that layoff of management employees in the Social Services Agency, if implemented, will continue under the provisions of the Supplemental Layoff Procedure for Grant-Aided Agencies and Departments.

Provisions for Management Employees The nature of the restructuring plan, which targets administrative overhead reductions and flattening of management layers, may result in the elimination of positions occupied by long-term employees. As a means of mitigating the impact of restructuring on this group, I am requesting Board authorization to provide continued health insurance payments for up to 18 months for managers who are subject to layoff as a direct result of the restructuring efforts. As a condition of receiving these continued benefits, employees may be required to participate in Wellness programs as a safeguard against increased costs to health insurance programs.

Restructuring Status and Schedule

Phase One

Agencies/departments included in Phase One of the internal restructuring process, those that were largely or wholly dedicated to internal, administrative functions, have now submitted business plans for their respective organizations. Upon Board consideration of the recommended actions contained in this report, and subject to any applicable meet and confer requirements, these departments will begin implementing their business plans.

While these departments have prepared business plans which offer a good starting point for restructuring, it would be unrealistic to assume that every action presented in the plans can and will be implemented exactly as it has been presented. It is important to remember that the success of the restructuring efforts rests not only in good planning, but also in our ability to adapt our plans to changes in our environment and circumstances. With this in mind, I intend to ask the Phase One departments to report their progress and potential business plan adjustments prior to my presentation of Phase Two results and recommendations to the Board next spring. This will enable us to incorporate adjusted and more accurate business plans into budget proposals for fiscal year 1997-98.

In addition to implementing and refining their business plans, the Phase One departments will be asked to begin working on three follow-on components of the restructuring plan that the Board approved in June: exploration of privatization opportunities, development of a departmental technology plan in conjunction with the County's corporate technology plan, and identification of issues related to regional governance which should be incorporated in the Board's external restructuring efforts.

Phase Two

Phase Two departments are those whose primary functions involve service to the public: Community Services Agency, Health Care Agency, Housing and Community Development, John Wayne Airport, Probation

Department, Social Services Agency; departments which are managed by an elected official: Assessor, Auditor-Controller, Clerk-Recorder, District Attorney, Marshal, Public Defender, Sheriff-Coroner, Treasurer-Tax Collector, and the courts. Many, if not all, of these departments and agencies have already begun preparing their business plans and, in order to facilitate the review and inclusion of their recommendations into the FY 1997-98 budget proposal, I am asking that they be submitted to my office by January 17, 1997. The Phase Two business plans will generally follow the same outline as that used for Phase One departments, and will also be asked to address privatization, technology and regional issues in the same manner.

I anticipate that we will reap important efficiencies and service-related benefits from the restructuring process as it is implemented in the Phase Two departments and agencies. However, I do not expect the plans to recommend the same level of staffing reductions in these departments as have been recommended in the Phase One departments and agencies. The reason for this is simple. The departments and agencies included in the Phase Two process are primarily or wholly dedicated to providing services which are either mandated by law or are essential to the health, safety, and welfare of the Orange County community. With that understood, I must make it clear that I do expect to find considerable opportunities to enhance efficiency and eliminate unproductive overhead and duplication in Phase Two just as we have in Phase One.

Conclusions

By approving this plan and adopting the recommended actions, the Board formally establishes a new departmental structure and reaffirms its commitment to a service oriented, cost effective County organization. With a clear sense of the core business of each Phase One department, the Chief Executive Officer and Phase One department heads will now focus on achieving the decentralization, flattening of managerial layers, reduction of overhead costs and the simplification of accounting processes the Board endorsed in June.

The business plans, as drafted, provide the overall context and direction for accomplishing these efficiencies. Upon Board approval, each Phase One department head will move forward and begin identifying the specific actions required to implement his or her plan. Discussions with affected employee organizations will take place, and decisions about specific staffing and services issues will be made. As departments complete the process, agenda items detailing the actions requiring Board approval will be filed for Board consideration.

Recommended Actions

1. Receive the "First Report on the Restructuring Plan for the County of Orange" and direct the Chief Executive Officer to take all steps necessary to implement the restructuring plan, subject to any applicable meet and confer obligations.

2. a) Read the title of the proposed ordinance. (Attachment 1)
   b) Order further reading of the ordinance be waived.
   c) Consider the matter.
   d) Direct the ordinance be placed on the agenda for the next regularly scheduled meeting for adoption.
   e) At the time set, consider the matter and adopt the ordinance.

3. Adopt the resolution establishing new County departments. (Attachment 2)

4. Direct the Chief Executive Officer to return with specific position transfers, changes and deletions to the master position control.

5. Adopt the resolution providing for an Early Retirement Incentive Program for any class in Environmental Managment Agency, General Services Agency, County Executive Office, Human Resources and Integrated Waste Management Department. Direct the Chief Executive Officer to meet with the Board of Retirement to reach concurrence on the manner and time for transfers of funds to the Orange County Employees' Retirement System in accordance with the provisions of Government Code Section 31641.04. (Attachment 3)

6. Authorize the Chief Executive Officer to delete positions vacated by retirements under the Early Retirement Incentive Program or to substitute positions that will result in comparable savings/benefits to the County prior to the end of FY 1996-97.

7. Adopt the Personnel and Salary Resolution, effective November 19, 1996, (Attachment 4) unless otherwise indicated, and adopt the Supplemental Layoff Procedure for the Social Services Agency to comply with State Merit System requirements. (Attachment 5)

8. Establish the following classifications and adopt the attached specifications (Attachment 6):

Class Code	Salary	Title
0656	MLE	Registrar of Voters
2131	MLE	Director, Housing and Community Development
2142	MLE	Director of Planning and Development Services
2547	MLE	County Librarian
8180	MLE	Director of Public Facilities and Resources

9. Authorize the Chief Executive Officer to approve continuation of the County's contribution toward health insurance for up to eighteen (18) months for unrepresented employees who are laid off between November 19, 1996, and June 30, 1997, and who choose to continue in County health insurance plans, subject to participation in Wellness programs as determined by the Chief Executive Officer.

Appendix 1
Business Plans: Process and Summary

Business Plan Development

A key component of the restructuring plan is the development of business plans by all County departments and agencies for their respective organizations. The business plans identify: (i) the new personnel and functional organization of the section; (ii) cost reduction anticipated in fiscal year 1996-97 and potential cost reduction measures proposed for fiscal year 1997-98; and (iii) service efficiencies or enhancements resulting from the proposed structure. In addition, the business plans will address privatization opportunities and potential technology-related improvements.

Following the Board's approval of the restructuring plan in June, I directed the preparation of business plans for each of the following: County Executive Office (CEO), Planning and Development Services (P&DS), Public Facilities and Resources (PF&R), Orange County Public Library (OCPL), and Registration and Elections (R&E). The Integrated Waste Management Department had already initiated a restructuring program and I have incorporated its process, findings and results with this presentation. In some cases, this report reflects information updated since business plan submission. Further refinement will continue with implementation.

Because many of these departments provide service to the community, and to ensure that the restructuring process achieves its intended result of enhancing the efficiency and effectiveness of service, I asked each department to identify its respective service recipients and to discuss the structural and other organizational changes being considered with some of those recipients. We took this task of reviewing our proposals with service users very seriously. Over the last few months, these departments have met, in some cases extensively, with the external and internal publics they serve to investigate new, more efficient approaches to the work of County government. The resulting business plans reflect the input and insight gained from this public outreach.

The business plan process also benefitted from the expertise and

experience of many in the educational and private sectors within Orange County. These individuals will not be directly affected by the outcome of the restructuring process and thus provide valuable objectivity and perspective to the process. Representatives from Chapman University and UCI assisted in the development of a business plan outline for use by the departments. Representatives from the Orange County Business Council reviewed and provided helpful comments on the business plan concepts. In addition, we anticipate that employee input gained through discussions with employee organizations will provide additional insight and suggestions.

Public Facilities and Resources

The new Public Facilities and Resources Department is comprised of various former EMA and GSA functions. Specifically, the department will incorporate the Public Works, Transportation, and Harbors, Beaches and Parks sections from EMA and the Transportation, Architect and Engineer, Facilities Operations and Transportation functions from GSA. The department's mission will be "to provide, operate and maintain quality public facilities and regional resources for the enjoyment, mobility, protection and business of the people of Orange County."

The structure of the new department will reflect the grouping of like activities into three primary functions: engineering, facilities and resources. Engineering encompasses the full scope of infrastructure delivery. Facilities will concentrate on the operation and maintenance of infrastructure and support equipment. Resources focuses on an interrelated set of stewardship and ownership roles within the department, including management of natural resources and wilderness areas.

I'd like to specifically address one component of the Environmental Management Agency here: Harbors, Beaches and Parks (HBP). A number of residents and community groups have expressed support for transitioning HBP to a separate, stand-alone department. Let me begin by saying that I believe the community and the Board would agree that the ultimate decision on organizational placement of HBP should be based on efficiency, quality public service, and the dedication of resources to public facilities and service.

My recommendation today is to keep HBP as a single unit within the Public Facilities and Resources Department. By retaining HBP under the Public Facilities and Resources umbrella and applying our restructuring principles of decreasing overhead and combining like functions, we will reduce costs by approximately $1.3 million per year. It is important to remember that HBP currently operates as a department within EMA. I am not proposing that any material changes be made to this function other than making it more efficient and focusing our financial resources on our harbor, beach, and park facilities and services. In addition, the new department will clearly recognize the sensitive nature of wilderness park areas and environmental protection goals of such areas as Upper Newport Bay. However, recognizing both Board and community interest in this issue, I will commit to further review this matter and report to the Board in the spring when I present the findings and recommendations for Phase Two agencies and departments.

In keeping with the overall restructuring philosophy, responsibility and accountability are located at those levels within the new organization where work is performed and services are provided. This shift away from the traditional hierarchical structure will result in greater innovation and initiative as well as greater awareness of the day-to-day needs of service recipients.

By grouping like activities, Public Facilities and Resources will reduce costly duplication of effort. Rather than having separate and distinct engineering services for each of a multitude of programs, the new department will provide a core pool of engineers, thereby minimizing redundancy and allowing the redirection of funds to core services.

By flattening, decentralizing, and grouping like functions previously administered in EMA and GSA, the new Public Facilities and Resources department believes it could eliminate approximately 186 positions from the final FY 1996-97 budget resulting in an overall savings in salaries and employee benefits of approximately $9.3 million.

Planning and Development Services Department

The new Planning and Development Services Department is comprised of two EMA functions: Planning and Building and Development Services. The mission of the new department is "to serve existing and future

residents of Orange County through the responsible implementation of the General Plan, Zoning, Subdivision, grading, and related building and development codes and regulations."

As with the new Public Facilities and Resources Department, the Planning and Development Services Department will combine like activities, flatten the organization by reducing management overhead, and shift responsibility and accountability to levels directly responsible for providing service. Of particular benefit to the community, the new structure will bring plan review, permit entitlement and related building services (i.e., inspection and enforcement) into one, focused department.

In keeping with the restructuring plan's emphasis on simple, straightforward accounting for services, additional benefits will be achieved by this new department through the creation of new procedures which will provide for direct cost accounting, rather than the more costly cost application approach currently in use.

By flattening, decentralizing, and grouping like functions, the new Planning and Development Services Department believes it could eliminate approximately eight positions from the final FY 1996-97 budget, resulting in an overall savings in salaries and employee benefits of approximately $400,000.

Integrated Waste Management Department

The Integrated Waste Management Department (IWMD) administers the Orange County solid waste management system. The mission of IWMD is "to provide environmentally safe regional landfill services at market rates."

IWMD's new organizational structure recognizes landfill operations as its core business and physically locates all staff who perform their majority or primary duties in support of landfill operations at the landfill. The department will be structured into six new divisions: the three active landfills, Technical Services, Government & Community Relations, and Business Services.

The restructuring process undertaken by the Department will result in

the deletion of 54.5 regular (21.5 of these positions were previously deleted in IWMD's temporary merger with EMA) and 31 extra help positions, the addition of six positions, and the reclassification of certain positions to meet the staffing needs of the new structure. These position changes are expected to yield an annual savings of approximately $2 million.

As a result of the restructuring process, many services previously provided centrally by other County departments/agencies, including EMA, GSA and Human Resources, will be undertaken by IWMD. The decentralization of these services reduces staffing and overhead charges to IWMD with an anticipated annual savings of appproximately $3.8 million.

The restructuring of IWMD will provide for significant cost reductions, efficiencies of operation, and the opportunity to reduce County overhead charges. These savings can be passed on to Orange County residents as a lower gate fee.

Orange County Public Library

The Orange County Public Library (OCPL) currently operates 28 libraries and a headquarters facility, and it provides library services to residents of 21 cities and the unincorporated area. OCPL has operated as a department within GSA for many years. The restructuring plan calls for the OCPL to operate as a separate department within the County organization.

OCPL's mission is "To provide a framework for the delivery of relevant resources meeting the educational, cultural, civic, business, and life-long learning needs of residents of all ages of member communities through a network of locally focused libraries in which knowledgeable, service-oriented staff members offer access to information, books and other materials in a variety of formats utilizing contemporary technology and which encourage and foster reciprocal community involvement to educate, inform and enrich the lives of a diverse population."

OCPL will be organized into eight distinct functions: Administration/ Business Office, Human Resources, Regional Services, Community

Relations/Management Support, Automated Services, Program Services, Bibliographic Services, and Facility & Support Services. As a result of decentralization of many County services, OCPL will assume responsibility for services previously provided by various GSA divisions and Human Resources. As a result, OCPL anticipates a reduction in County overhead charges from approximately $1.2 million in fiscal year 1996-97 to approximately $700,000. OCPL anticipates the need for seven additional positions (5.75 FTE) to accommodate the additional responsibilities resulting from decentralization of certain County services (at an additional cost of $314,079).

OCPL anticipates an annual savings of approximately $450,000 from the overall restructuring of the department and intends to focus those savings on direct public services.

Registration and Elections

The new Registration and Elections Department previously operated as a function within the General Services Agency. The mission of the new Registration and Elections Department is"to ensure the integrity of the County's election process through administration of all Federal, State and local election laws in a uniform, consistent, and accessible manner with the highest possible degree of professionalism. The office will, further, promote public confidence and increased participation by all eligible Orange County citizens in the election process."

The organization and workload of the new department are structured to efficiently offer four core services: voter registration, balloting, information, and candidate filing/campaign disclosure.

Consistent with the overall restructuring philosophy of decentralization, the new Registration and Elections Department will absorb the administrative tasks previously performed by GSA. Even with the additional administrative responsibilities, the new department will not increase permanent staff. By operating separately from GSA, the new department anticipates a reduction of the overhead costs currently charged by GSA under the cost application system.

County Executive Office

The County Executive Office continues its role as the corporate administrative, analytical, and executive oversight function. As a result of the decentralization of line support to agencies and departments, the CEO will assume certain corporate functions associated with real estate, procurement, data systems and human resources.

The structure of the County Executive Officer reflects five key components, each led by an Assistant Chief Executive Officer: Finance, Human Resources, Information & Technology, Public Affairs, and Strategic Affairs. Since the Board adopted the restructuring plan in June, four of the five Assistant CEOs have been named, and each has developed a separate business plan for his/her unit within the Chief Executive Office.

The County must have centralized executive oversight to ensure fiscal integrity, policy coordination, and general management accountability. The team I have assembled in the County Executive Office will result in a strong, flexible, responsive and accountable unit which will work with the Board of Supervisors to overcome current challenges and meet those of the future.

Business plans have been developed by each of the functional areas within the CEOs office. These plans were developed to achieve four primary objectives as follows:

- Define core functions and mission.
- Identify service recipients and service environment.
- Present organizational and budgetary structure.
- Identify challenges and opportunities.

With the development of business plans and the tentative shift of data systems from GSA to the County Executive Office, staff has initiated a preliminary review of the nature and costs of the current County telephone system. We believe the County may be able to achieve substantial cost reductions by replacing the existing telephone system and will pursue such opportunities in the coming weeks. Recommendations to the Board on this matter may be forthcoming as

early as December, 1996.

The development of business plans stimulated thoughtful consideration of the County's mission and appropriate role in the community. This process will be utilized in the development of the county's strategic plan and will serve as a critical component in annual budget preparations.